

April 9, 2010
FB 10-054
For Internal Use Only

Audience: AXA Advisors Financial Professionals
Re: Introducing the Market Stabilizer OptionSM
From: Life Product Development Services

What's New:

- The Market Stabilizer OptionSM (MSO) will be introduced exclusively with Incentive Life[®] OptimizerSM policies sold by AXA Advisors financial professionals (FPs) in approved jurisdictions beginning **April 12, 2010**.
- The MSO is an innovative and unique investment option that offers a rate of return linked to the performance of the S&P 500 Price Return index ("the index"), excluding dividends, up to a Growth Cap Rate (GCR).
 - An index-linked rate of return is determined and applied at the end of each segment term, based on the performance of the index, not to exceed the GCR for that segment.
 - In addition, the index-linked rate of return is subject to a specified level of protection against declines in the performance of the index of up to negative 25% (-25%) for a segment held until its segment maturity date.
- For IL Optimizer policies with register dates between April 12, 2010 and October 15, 2010, the guaranteed minimum GCR will be at least 15% for any segment established during the first policy year.
- The MSO is approved in all jurisdictions except **Montana** and **New York**. For the most recent state approvals and current (non-guaranteed) GCR, FPs **must** manually download the Monthly Interest Rate update file from your axa-equitable.com. See [page 11](#) for instructions.

When:

- Beginning **April 12, 2010**, the MSO will be available with IL Optimizer policies sold by AXA Advisors FPs in all states except Montana and New York. Any IL Optimizer policy issued on or after April 12 will automatically include the MSO rider, subject to state availability.
- The MSO will be made available to existing IL Optimizer policyowners on or about **June 15** in approved jurisdictions.

For More Info:

See the following pages for details. If you have questions, contact the Life Sales Desk at (800) 289-1101, Option 1.

MARKET STABILIZER OPTION TABLE OF CONTENTS

Highlights	Page 2
Product Features	Page 3
Initial Policy Growth Cap Rate	Page 7
Segment Performance Report	Page 7
Prospectus	Page 7
State Availability	Page 8
Transition Rules	Page 9
Administration	Page 9
Sales Illustrations	Page 11
Suitability	Page 12
Learning Opportunities	Page 13
Marketing Materials	Page 14

Effective **April 12, 2010**, AXA Equitable introduces the Market Stabilizer Option. The MSO (rider form # ICC09-R09-30; R09-30 or state variation) is an additional investment option provided by an automatic rider that is available exclusively with IL Optimizer policies sold by AXA Advisors FPs, subject to state availability.

This communication provides an overview of the key features of the MSO, including information regarding sales illustrations, transition rules, administrative considerations, and marketing materials. See [page 11](#) for an overview of the MSO sales illustration functionality in AEGIS.

FPs should review both the MSO rider and the MSO Technical Guide for detailed information regarding the MSO features and mechanics summarized in the following pages. Beginning April 12, both items will be available on eDOX:

- MSO Technical Guide: **Products & Forms > Life Products > AXA Life Products > Variable Life > Variable Life Product Guides > Market Stabilizer Option Technical Guide.**
- MSO Specimen Rider Forms: **Products & Forms > Life Products > AXA Life Products > Variable Life > Variable Life Specimen Contracts > Market Stabilizer Option Generic Specimen Rider.**

Highlights

The MSO is an innovative and unique investment option that offers a rate of return linked to the performance of the S&P 500 Price Return index, up to a Growth Cap Rate (GCR) for each segment. The S&P 500 Price Return index does not include dividend earnings. Additionally, the MSO provides a specified level of protection against declines in the performance of the index. The Downside Protection feature (also referred to in the policy as “Segment Loss Absorption Threshold”) protects the policy account value in a segment held to maturity against declines in the performance of the index of up to negative 25% (-25%).

The introduction of the MSO provides policyowners with the ability to reduce their exposure to equity market volatility while maintaining the ability to benefit from the upside potential of the stock market.

Policyowners may choose to allocate all or a portion of their policy account value and premium payments, net of the premium charge, to the MSO, Guaranteed Interest Option (GIO), and the variable investment options available under IL Optimizer.

The MSO is comprised of the Holding Account and individual segments that are established monthly. When a policyowner allocates any amount to the MSO, it will be allocated to the Holding Account until it is swept into a segment, subject to certain requirements. See [page 5](#) for details regarding these requirements.

Segments are generally established on the third Friday of each calendar month (the segment start date). Each segment matures approximately one year from the day the segment was established (the segment maturity date). The Downside Protection feature provided by the MSO applies only to the policy account value remaining in a segment on its segment maturity date.

At segment maturity, the performance of the index during the segment term (as determined by the closing values of the index on the segment start/maturity date) is applied to the policy account value allocated to a segment up to the GCR to determine the index-linked rate of return for that segment. The index-linked rate of return may be subject to the Downside Protection feature provided by the MSO (the Segment Loss Absorption Threshold Rate) if the performance of the index is negative during a segment term. The index-linked rate of return is formula-based. A policyowner is not invested directly in the index or any stock, bond or equity instrument. **The index-linked rate of return is not calculated, nor is the Downside Protection against negative performance of the index applied, prior to a segment maturity date.**

The index-linked return, if any, is the dollar amount that will be added to or subtracted from the current policy account remaining in a segment at maturity to determine the segment maturity value. The index-linked return may be positive, zero or in certain circumstances negative, resulting in an increase, no change or decrease to the policy account value allocated to a segment.

This hypothetical example assumes a GCR of 15% for this segment. The Downside Protection (Segment Loss Absorption Threshold Rate) is negative 25% (-25%). At segment maturity, the policy in the example below would experience the following performance (before charges):

S&P 500 Price Return index Performance*	Index-Linked Rate of Return
Increases by 15% or more	Equals 15%
Increases by less than or equal to 15%	Equals the S&P 500 Price Return index performance
Stays flat or decreases by less than 25%	Equals 0%
Decreases by more than 25%	Equals a rate of return in excess of negative 25% (if the index performance is -30% during the segment term, that would mean that the policy account value in a segment of MSO would be reduced by 5% on the Segment Maturity Date instead of 30%).

**As determined by the closing values of the index on the Segment Start Date and Segment Maturity Date*

Market Stabilizer Option Features

- Availability:** The MSO is an automatic rider available exclusively with IL Optimizer policies sold by AXA Advisors FPs in approved jurisdictions. The MSO may be elected as one of the available investment options on IL Optimizer applications beginning April 12. In addition, IL Optimizer policies that are issued on or after April 12 will automatically include the rider, subject to state availability. The rider will be made available to inforce IL Optimizer clients in approved jurisdictions on or about June 15.

- **Participation Rate:** The participation rate is the percentage of the index performance used in determining the index-linked rate of return for each segment. The participation rate is guaranteed to be 100% in all policy years.
- **Downside Protection:** The Downside Protection feature provided under the MSO represents the maximum percentage decline in the performance of the index during a segment term that will be absorbed by the MSO without reducing the segment maturity value. The Downside Protection is negative 25% (-25%) and will not change during a segment term.

Note: Downside Protection is also referred to in the policy as “Segment Loss Absorption Threshold Rate”.

- **Growth Cap Rate (GCR):** This is the limit or cap on the index-linked rate of return that each individual segment can earn. The current (non-guaranteed) GCR is declared at the discretion of AXA Equitable based on future anticipated or emerging experience, including a variety of economic parameters at the segment start date, such as interest rates and equity market volatility.

The GCR is declared on each segment start date and is guaranteed not to change during the segment term. Although the GCR is likely to vary for each segment that is established, it will never be less than the guaranteed minimum GCR shown in the policy form.

For IL Optimizer policies with register dates between April 12, 2010 and October 15, 2010, the guaranteed minimum GCR will be at least 15% for any segment established during the first policy year. See [page 7](#) for more information regarding the GCR.

- **Market Stabilizer Option Charges:** On a current (non-guaranteed) basis, there is a total percentage charge of 1.40% of the amount in each segment. The guaranteed maximum total percentage charge is 2.40% of any policy account value allocated to each segment. These charges consist of the:
 - **Variable Index Benefit Charge:** An up-front benefit charge will be deducted from the amount transferred from the Holding Account into a segment on the day the segment is established. The charge is 0.75% on a current (non-guaranteed) and guaranteed basis and is applicable on each segment start date.
 - **Variable Index Segment Account Charge:** On a current (non-guaranteed) basis, the charge is 0.65% (effective annual rate) of the current amount in each segment, deducted from the policy account on a monthly basis during a segment term. The guaranteed maximum charge is 1.65% (effective annual rate) and is applicable while any segment is in effect.
- **Mortality & Expense Risk Charge:** The base policy M&E risk charge is applicable to the amount in each individual segment, in addition to any amounts in the variable investment options, including the Holding Account.
 - For IL Optimizer, the current (non-guaranteed) charge is 0.85% in policy years 1 through 8 on an annual basis and 0% thereafter. The guaranteed maximum annual charge is 1% in policy years 1-10 and 0.50% in policy years 11 and later.
- **Monthly Deductions During a Segment Term:** Beginning on the segment start date, any existing monthly deduction allocation will be changed automatically such that 100% of monthly deductions will be deducted from the unloaned GIO (assuming sufficient funds are available there) during the longest remaining segment term. The monthly charges are deducted this way to help minimize the possibility that monthly charges will need to be deducted from the segments of the MSO, which will cause a corresponding Early Distribution Adjustment.
- **Charge Reserve Amount:** The Charge Reserve Amount (CRA) is the minimum amount of policy account value that must be available in the unloaned GIO on a segment start date. It is determined as an amount projected to be sufficient to cover all monthly deductions for the policy during the longest remaining segment term on the date a segment is established or the effective date of any requested face amount increase. If the policy does not have sufficient value to meet the CRA requirement, funds in the Holding Account will not be transferred to a new segment. For any new business illustration with an allocation to the MSO, AEGIS will calculate and display the CRA.

- **Holding Account:** The Holding Account retains funds allocated to the MSO prior to each segment start date. On each segment start date, the funds in the Holding Account – excluding charges and any amounts transferred to the unloaned GIO to cover the CRA requirement – will be transferred into a new segment, subject to satisfying the necessary requirements to establish a new segment.

The Holding Account is part of the EQ Advisors Trust and shares the same unit price, investment management fees, operating expenses, and 12b-1 fee as the EQ/Money Market variable investment option. These fees are deducted at the trust level and the performance of the portfolio is calculated and reflected daily for any amount in the Holding Account.

- **Segments:** Segments are generally established on the third Friday of each calendar month so there may be up to 12 segments established in a one-year period. Each segment matures approximately one-year from the day the segment was established (the segment start date). The Downside Protection feature provided by the MSO applies only to the policy account value remaining in a segment at maturity.
- **Segment Start Date:** On each segment start date, the current (non-guaranteed) GCR is declared, the CRA is determined and the amount in the Holding Account is swept into a segment, minus any amount that must be transferred to the unloaned GIO to establish (or supplement) the CRA and minus the Variable Index Benefit Charge (0.75%). In addition, the deduction allocation percentage is automatically changed such that 100% of the monthly charges will be deducted from the unloaned GIO while any segment is in effect.
- **Requirements to Establish a Segment:** The following requirements must be met to start a new segment:
 - The GCR for any segment must be equal to or greater than the Threshold GCR specified by the policyowner
 - An amount equal to the CRA, as calculated on the segment start date, must be available for transfer within the unloaned GIO and the variable investment options, including the Holding Account
 - The GCR – reduced by the sum of the Variable Index Benefit Charge rate, the current annualized monthly Variable Index Segment Account Charge rate, and the current annualized monthly M&E risk charge rate – must be greater than the annual interest rate currently being credited to the unloaned GIO
 - It must be determined that a distribution from the policy, such as a guideline premium force-out, will not be necessary during the segment term in order for the policy to continue to qualify as life insurance under applicable tax law
 - The total amount allocated to the segments of the MSO under the policy must be less than any limit the company may have established (currently there is no limit).

If any of these requirements are not satisfied, a segment will not be established and the amount in the Holding Account will remain there until the segment start date, when such requirements are satisfied. The policyowner will receive a letter to advise them if a new segment could not be started.

- **Early Distribution Adjustment (EDA):** This is an adjustment made to any segment to determine the value a policyowner will receive if he or she surrenders their policy prior to the segment maturity date. In addition, an EDA will apply if any portion of a policy loan, policy distribution or monthly deduction is allocated to a segment, prior to the segment maturity date. An EDA will generally decrease the policy values.

The EDA will include a pro-rata refund of the Variable Index Benefit Charge (0.75%), which will increase the surrender value or the amount remaining in the segment that would otherwise be applicable, as appropriate. A negative EDA will not apply if the insured dies during a segment term.

Note: Early Distribution Adjustment is also referred to in the policy as “Market Value Adjustment”.

- **Segment Maturity Date:** Each segment matures approximately one year from the day the segment was established (segment start date). The segment maturity value is determined on the segment maturity date. When a segment matures, the performance of the index during the segment term is used to determine the index-linked rate of return, which will not exceed the GCR for that segment.

Additionally, the index-linked rate of return may be subject to the Downside Protection feature (the Segment Loss Absorption Threshold Rate) if the performance of the index has declined in excess of negative 25% (-25%) during the segment term.

The index-linked return for a segment is determined by multiplying the index-linked rate of return by the policy account value in a segment on its maturity date. This is the dollar amount that will be added to or subtracted from the policy account value in the segment to determine the segment maturity value. The index-linked return may be positive, negative or zero resulting in an increase, decrease or no change to the policy account value.

- **Client Specified Threshold Growth Cap Rate:** The current (non-guaranteed) GCR for a segment is declared on the segment start date. Since the policyowner will not know what the GCR is prior to the segment start date, they may specify a Threshold GCR between 6% and 10% at the time the application is taken. If the GCR for any segment is below the Threshold GCR specified by the policyowner, the amount in the Holding Account will not be transferred into a new segment. The Threshold GCR may be changed at any time after issue via Online Account Access or by submitting a properly completed service request to the National Operations Center (NOC) in Charlotte, N.C.
 - For example, the policyowner may specify a Threshold GCR of 10%. If the GCR is set at 10% or higher on the segment start date, then the value in the Holding Account will be transferred into the new segment. If the GCR is set below 10%, then the value in the Holding Account will not be transferred into the segment and will remain in the Holding Account until the GCR is at least 10%, or until the policyowner transfers their policy value out of the Holding Account.
- **Premium & Deduction Allocations:** Net premiums may be allocated to the MSO on the application, in addition to the unloaned GIO and the variable investment options available under the policy. Deduction allocations to the MSO will only apply to the Holding Account prior to the start of a new segment. On a segment start date, the deduction allocation will be changed automatically so that 100% of the monthly deductions will be taken from the unloaned GIO. Premium and deduction allocations may be changed at any time after issue by submitting a properly completed service request to the NOC or via Online Account Access.
- **Charge Reserve Amount Allocation:** A policyowner may specify from which variable investment options to transfer amounts to supplement the amount in the unloaned GIO if the funds in the unloaned GIO become insufficient to meet the CRA requirement. If no election is provided, or a requested allocation is not possible, the transfer will be made pro-rata from all the variable investment options, including the Holding Account. The owner may change the requested CRA allocation after issue on a prospective basis by contacting the NOC.
- **Segment Maturity Allocation:** The policyowner can elect to have their maturity value rolled over to a new segment of the MSO or transferred to the unloaned GIO or other variable investment options available under the policy on the segment maturity date. The Segment Maturity Allocation for the policy may be specified at issue on the application and changed on a prospective basis after issue. If no election is provided, the default option is to automatically rollover the segment maturity value to the MSO. The segment maturity value will be allocated to the Holding Account and swept into a new segment of the MSO, excluding charges and any amounts transferred to the unloaned GIO to cover the CRA requirement, on the next available segment start date.

AXA Equitable will send the policyowner a letter approximately 45 days before a segment is due to mature, to advise them of this event and to confirm their segment maturity value allocation. Any request to change the maturity allocation must be received in good order at the service center prior to the segment maturity date. A confirmation notice will be sent to the policyowner when the maturity value is allocated, confirming the transaction.

- **Free Look Processing:** In states that require a premium refund if the policy is cancelled during the free look period, any amounts allocated to the MSO will be transferred from the EQ/Money Market investment option to the Holding Account on the business day following the expiration of the money market lock-in period. In states that require an Accumulated Value Refund, any amount allocated to the MSO will remain in the Holding Account for 20 days from the investment start date before being allocated to the next available segment. Different periods apply to policies that are issued as the result of replacements or if there are outstanding requirements to put the policy in force as of the issue date. See Free Look Period on [page 10](#) for more information.

- **Partial Withdrawals:** Once funds have been swept from the Holding Account into a segment, withdrawals out of a segment before the segment maturity date are not permitted unless the policy is fully surrendered. Additionally, while a segment is in effect, before the segment maturity date, the amount available for withdrawals from the unloaned GIO will be limited to avoid reducing the unloaned GIO below the CRA.
- **Inter-fund Transfers:** A policyowner may transfer funds into or out of the Holding Account prior to a segment start date. However, inter-fund transfers from the policy account value allocated to a segment are not permitted during a segment term, that is, once funds have been swept from the Holding Account into a new segment.

Inter-fund transfers of the policy account value in the variable investment options and the unloaned GIO (excluding the CRA) are permitted during a segment term according to the usual rules under the base policy.

- **Automatic Transfer (Dollar Cost Averaging) and Asset Rebalancing Services:** The MSO is an available fund with the Automatic Transfer Service. The MSO is not an available fund with the Asset Rebalancing Service.
- **Policy Loans:** A policyowner may specify how much of a requested loan is to be allocated to their value in the MSO, the variable investment options and the unloaned portion of the GIO. However, any portion of a policy loan allocated to the segments of the MSO will be subject to a corresponding EDA, which will reduce the amount remaining in each segment, in addition to the amount of the policy loan.

There is a higher guaranteed maximum loan spread for loans allocated to the MSO segments – specifically the guaranteed maximum loan spread is 5% in all states except New York and Oregon, where the guaranteed maximum loan spread is 2%. Therefore, a policyowner may wish to avoid allocating any portion of a policy loan to the MSO.

Initial Policy Year Growth Cap Rate

AXA Equitable will declare a current (non-guaranteed) GCR for each segment on its segment start date. The GCR that is applicable to any segment will be the greater of the current (non-guaranteed) GCR declared for that segment and the guaranteed minimum GCR shown in the policy for the applicable policy duration. For IL Optimizer policies with register dates between April 12, 2010 and October 15, 2010, the guaranteed minimum GCR for any segment established during the first policy year will be at least **15%**. In subsequent policy years, the guaranteed minimum GCR will be **6%**. AXA Equitable reserves the right to change the guaranteed minimum GCR for new issues at any time, but to no less than **6%**.

Market Stabilizer Option Segment Performance Report

The MSO Segment Performance Report includes information regarding the opening and closing index values, the GCR, and performance information for each segment. It will be available on the Monday following the third Friday of each month (segment start date) on eDOX: **Performance & Interest Rates > Current Rates > Life Insurance New Business Interest Rates > MSO Segment Performance Report.**

Prospectus

The MSO prospectus, the IL Optimizer product prospectus and applicable Trust prospectuses and supplements must be given to prospective clients and referenced on all applications dated on or after April 12, 2010.

The MSO prospectus [cat. #142561 dated (4/10)] is a stand-alone document, which includes a supplement to the IL Optimizer prospectus [cat. #143821 dated (1/10)]. The IL Optimizer prospectus, the EQ Advisors Trust and AXA Premier VIP Trust prospectuses and applicable supplements are bound into one booklet [cat. #140614 dated (10/08)]. A supply of MSO prospectuses is being shipped to each branch office for arrival the week of April 12, 2010. The MSO prospectus [cat. #142561 dated (4/10)] and supplement [cat. #143821 dated (1/10)], and the IL Optimizer prospectus are available on eDOX: **Products and Forms > Life Products > AXA Life Products > Variable Life > [Variable Life Prospectuses](#).**

In all states where the MSO has been approved for sale, use Variable Universal Life Supplement 180-6006a-rev. (2009), or state variation dated (01/10), and complete question 2.a. (1) and (2) by checking “Yes.”

Note: Variable Universal Life Supplement 180-6006a-rev. (2009), or state variation dated (01/10), is not approved in **New York**. The MSO is not approved for sale in **Montana and New York**.

State Availability

Effective April 12, the MSO is available for sale in 50 jurisdictions. The chart below details the MSO availability by state.

Jurisdiction	MSO Approval
Alabama	YES
Alaska	YES
Arizona	YES
Arkansas	YES
California	YES
Colorado	YES
Connecticut	YES
Delaware	YES
District of Columbia	YES
Florida	YES
Georgia	YES
Hawaii	YES
Idaho	YES
Illinois	YES
Indiana	YES
Iowa	YES
Kansas	YES
Kentucky	YES
Louisiana	YES
Maine	YES
Maryland	YES
Massachusetts	YES
Michigan	YES
Minnesota	YES
Mississippi	YES
Missouri	YES

Jurisdiction	MSO Approval
Montana	NO
Nebraska	YES
Nevada	YES
New Hampshire	YES
New Jersey	YES
New Mexico	YES
New York	NO
North Carolina	YES
North Dakota	YES
Ohio	YES
Oklahoma	YES
Oregon	YES
Pennsylvania	YES
Puerto Rico	YES
Rhode Island	YES
South Carolina	YES
South Dakota	YES
Tennessee	YES
Texas	YES
Utah	YES
Vermont	YES
Virginia	YES
Washington	YES
West Virginia	YES
Wisconsin	YES
Wyoming	YES

Jurisdictions that are pending approval will be announced in future communications. The transition rules and instructions for updating the state table in the proposal software will be included in each communication, along with any state-specific variations in the product. Beginning April 12, the state availability chart will be available on eDOX: **Products & Forms > Life Products > AXA Life Products > Variable Life > Variable Life State Availability > IL Optimizer Product Availability by State.**

Transition Rules

Clients may elect the MSO as an available investment option with new issues of IL Optimizer in states where the MSO rider is approved. Transition rules similar to those outlined below will apply as additional state approvals for the rider are announced.

Procedures for IL Optimizer policies that are Pending Issue: IL Optimizer policies that are pending issue on April 12 in states where the rider is approved will automatically be issued with the MSO rider and the MSO policy information pages for cases with or without settlement. For policies issued on or after April 12, the NOC will include the MSO prospectus with the policy output for delivery to the policyowner, if the application was dated prior to April 12.

Reissue Procedures for Recently Issued IL Optimizer policies sold by AXA Advisors: IL Optimizer policies in their free look period as of April 12, or IL Optimizer policies issued on or after April 12 and in their free look period, may be reissued with the MSO rider, subject to these rules:

- **Reissues on IL Optimizer Cases with Settlement:** AXA Advisors FPs may request the reissue of an IL Optimizer policy that was submitted with settlement and is still in the “free look” period as of the date the MSO rider becomes available in a state. The request must be made on the Request for Policy Change form AMICA-2006 or state variation, dated on or before the expiration of the “free look” period, and must be accompanied by the original IL Optimizer policy, a properly completed application supplement and an IL Optimizer sales illustration including the MSO. The AMICA-2006 form must contain the following wording:

“Reissue policy #xxx xxx xxx to include Market Stabilizer Option, with the same death benefit, beneficiary, owner, optional benefits and register date. AXA Equitable may rely on the statements and answers made in the application for (original policy #) attached hereto and made a part hereof, dated mm/dd/yy in issuing the new policy. These statements and answers are true and complete to the best of my knowledge and belief.”

The reissued policy will have the same register date as the original policy. Premiums received for the original policy will be applied toward the initial premium on the reissued policy.

- **Reissues on IL Optimizer Cases without Settlement:** AXA Advisors FPs may request reissue of any IL Optimizer policy issued without settlement provided the MSO rider is available in the state. The company requires an NTO form dated on or before the expiration of the IL Optimizer “free look” period, the original IL Optimizer policy, a properly completed application supplement and an IL Optimizer sales illustration including the MSO. The reissued policy will have a current register date.

FPs must run a conforming new business illustration for the IL Optimizer policy including the MSO to verify the appropriate initial premium and CRA, as well as to determine if the overall funding strategy, policy values and provisions are acceptable to the policyowner.

Administration

All applications, requirements and service requests should be sent to the NOC. Make checks payable to AXA Equitable Life Insurance Company. Applications for IL Optimizer including the MSO may be submitted to the NOC beginning April 12, subject to state availability.

A. Application

For sales of IL Optimizer including the MSO, application AMIGV-2009 dated [01/10] (or state variation) and the VUL application supplement, form 180-6006a-rev (2009), or state variation dated (01/10), must be used in all jurisdictions where the MSO is approved for sale. The instructions for completing the VUL application supplement are stated below:

- **Question 1a) Initial Allocations to Investment Options:** Indicate how payments and deductions should be allocated among the available investment options. The allocations should be expressed in whole percentages. Each column must total 100%.

- **Question 1b) Allocations if the Market Stabilizer Option is elected:** The following sections must be completed if the MSO is elected as an investment option:
 - **Question 1.b.(i): Market Stabilizer Option & Specified Growth Cap Rate:** Check the box, then specify a minimum GCR below which a segment will not be established. The GCR specified must be between 6% and 10% in whole percentages.
 - **Question 1.b.(ii): Transfers from the variable investment options to supplement the unloaned GIO (for the CRA requirement):** Check the box to have transfers made on a pro-rata basis from the variable investment options, including the Holding Account, to the unloaned GIO to meet the CRA requirement. This option is also the default if the box is not completed. Otherwise, specify the variable investment options from which funds should be transferred to supplement the unloaned GIO (in whole percentages only).

Note: Only the variable investment options can be selected as available fund options for these transfers.
 - **Question 1.b.(iii) Segment Maturity Allocation:** Check the box to have the maturity value rolled over to a new segment (this is also the default allocation if none is provided). Otherwise, specify the investment options to which the maturity value should be transferred.

Note: Any of the investment options available with the policy can be used for this allocation.

Simplified Application AMIGV-2009 dated (01/10) or state variation: Available via eDOX Build Kits or at **Products & Forms > Life Products > AXA Life Products > AXA Simplified Applications & Supplements > Applications - AMIGV-2009.**

Variable Universal Life Application Supplement Form: Beginning April 12, available via eDOX Build Kits or at **Products & Forms > Life Products > AXA Life Products > AXA Simplified Applications & Supplements > Variable Universal Life Application Supplements - IL Optimizer.**

B. E-Forms for Life

E-Forms for Life will be updated with the appropriate IL Optimizer VUL supplement effective April 17, based on state availability of the MSO.

E-Forms for Life is flexible, easy-to-use tools that helps FPs complete and submit life insurance applications electronically. E-Forms also ensures the correct version of forms are used, reducing follow-up requirements and improving policy issue turnaround. E-Forms for Life can be accessed via your axa-equitable.com: **Tools and Marketing tab > New Business Life and Annuity > e-Forms for Life** or from the Quick Links drop-down menu at the top of the screen.

For additional information, refer to the training documentation available on your axa-equitable.com: **Tools and Marketing tab > New Business> e-Forms for Life eDOX folder.** If you have any questions, send an e-mail to E-Forms_For_Life_Feedback@axa-equitable.com.

C. Free Look Period

During the free look period, the client has the right to cancel the policy and return it for a refund. The refund amount is either the accumulated value or the premium paid, depending on the state where the client signed the application.

Premium Refund States: If the policy is cancelled, most states require a refund of any premiums paid less any loan and accrued loan interest. In these states, the money market lock-in period applies.

- Any amounts allocated to the MSO will first be allocated to the EQ/Money Market variable investment option as of the later of a) the investment start date, or b) the policy issue date, for 20 days (the money market lock-in period). If a policy is issued as a result of a replacement, this amount will remain in the EQ/Money Market variable investment option, as described above, for 30 days (60 days in New York). However, if the company has not received all necessary requirements to put the policy in force as of the issue date, the period of time during which amounts allocated to the EQ/Money

Market option will remain in that option will begin on the date all necessary requirements to put the policy in force are received at the Administrative Office. On the business day following the end of the money market lock-in period, the amount will be transferred from the EQ/Money Market variable investment option into the Holding Account and a new segment will be established on the next available segment start date, subject to satisfying the necessary requirements.

Accumulated Value Refund States: Certain states permit a refund of the accumulated value. The accumulated value equals the policy account value plus any monthly deductions – including the M&E charge – and any charges deducted from premiums, less any loan and accrued loan interest. In these states, there is no money market lock-in period; the premiums will immediately be allocated to the investment options in accordance with the application instructions. The accumulated value will be refunded in these states: **Alabama, Alaska, Arizona, California, Colorado, Florida, Idaho, Iowa, Kansas, New Jersey, Oregon, Pennsylvania, Puerto Rico, Tennessee, Virgin Islands and Wyoming.**

- Any amounts allocated to the MSO will be allocated directly into the Holding Account as of the investment start date for 20 days. If a policy is issued as a result of a replacement, this amount will remain in the Holding Account, as described above, for 30 days (45 days in Pennsylvania). However, if the company has not received all necessary requirements to put the policy in force as of the issue date, the period of time during which amounts allocated to the MSO will remain in the Holding Account will begin on the date all necessary requirements to put the policy in force are received at the Administrative Office. Thereafter, the amount will be swept into a new segment from the Holding Account on the next available segment start date, subject to satisfying the necessary requirements to start a new segment.

D. Inforce Mailing to Existing IL Optimizer Policyowners

There will be a mailing on or about June 15 to notify inforce IL Optimizer policyowners of the availability of the MSO in jurisdictions where the rider is approved. The mailing will include a cover letter, the MSO rider, MSO prospectus and supplement, and a new policy information section. Inforce policyowners may not allocate premiums or deduction to the MSO until they have received these materials. Complete information regarding the inforce mailing will be detailed in a future communication.

Sales Illustrations with MSO

A. AEGIS

Sales illustrations are available in AEGIS Web (Version 6.1) beginning April 12, subject to state availability. All FPs have access to AEGIS Web, which is available at your axa-equitable.com:

Tools & Marketing Tab > Tools New Business > Life & Annuity.

Sales illustrations will be available with AEGIS Desktop Version 6.1 via Workstation release 2010-03 to be distributed the week of March 29. The Non-Workstation release containing AEGIS Version 6.1 was distributed the week of April 5.

In order to illustrate the most recent state approvals and current (non-guaranteed) GCR with AEGIS Desktop Version 6.1 (Workstation release 2010-03) and the Non-Workstation release of AEGIS Version 6.1, FPs **must** manually download the Monthly Interest Rate update file. The Monthly Interest Rate update file will be available on April 12 at your axa-equitable.com: **Tools & Marketing Tab > Tools > New Business > Life and Annuity > Illustrations Interest Rate update.**

As additional state approvals are announced, the updated state approval file for AEGIS software (version 6.1) will be available on eDOX and your axa-equitable.com via the Monthly Interest Rate Update. Instructions for downloading the file are available in [WIB 01-15](#).

There are differences in both the input questions and the output for sales illustrations for IL Optimizer if the MSO is elected on the illustration. Input differences are reflected on the Policy Design tab in AEGIS. After completing most of the standard input questions on the Policy Design tab for IL Optimizer, a new input question asks, "Include Market Stabilizer Option (MSO)" and the box next to this question is checked if MSO is desired. If the MSO box is checked, another question appears that says: "MSO End Year." Here the user can indicate how long money will be allocated to the MSO; the "End Year" will be when the last MSO segment matures. Assuming that retirement income will be illustrated, the response to

the input question may be “A65” or whatever age the insured will retire, since the EDAs associated with policy loans under the MSO will reduce policy values and therefore illustrated retirement income. If retirement income will not be illustrated and the policyowner wants to allocate money to MSO at older ages, the default (A100) can be utilized or another age or policy year can be specified.

The next question asks about the Portfolio Allocation, and in order to illustrate the MSO, you must “Specify” how money will be allocated. The allocations to the MSO and/or other investment options must be completed (and they must total 100%).

Note: If the policyowner wants to allocate a certain percentage to MSO and doesn’t know how else to allocate his/her premium at this moment, one of the “Average” fund selections (EQAT, for example) can be specified. The minimum MSO premium allocation is 10% in the illustration system. However, FPs should be aware that no such limitation exists in the administrative system.

The sales illustration output for IL Optimizer is very different if the MSO is selected. Assuming the MSO is chosen as at least one of the investment options, there are several pages of disclosure, followed by a page detailing the specified fund allocations and the fund fees for the variable investment options. Also included is a page enumerating the illustration assumptions: the hypothetical gross and net rates of return for each investment option (assuming guaranteed and current charges), the user-specified rate, the midpoint rate, and a zero rate of return. A three-page rider summary explains how the MSO works, and defines its terminology in some detail.

The first numerical ledger page showing annualized premium and policy values is based on the hypothetical rate of return specified in the illustration system (8% gross is the default) and current policy charges. This illustration takes into account all policy charges including the MSO fees, the investment management fees of any other investment option, the M&E risk charge, and policy-level charges like COIs, administrative charges, and the premium sales charge. Since this ledger is limited to a user-specified range of 0-12%, it may not depict the impact of the current GCR and will not reflect the Downside Protection (Segment Loss Absorption Threshold Rate), so in many respects, these pages look similar to other traditional variable life illustrations.

The illustration retains the familiar format: additional disclosure, backup ledgers with the hypothetical rates of return at guaranteed and current charges, and finally, the Applicable Footnotes Page, where the MIP, guideline premiums and target premium are shown; the initial CRA for the illustration will also be included.

B. Conforming Illustrations

If an illustration that conforms to the coverage applied for is provided to the applicant at the point of sale, a copy of the conforming illustration should be signed by both the FP and the prospective client and submitted with the application.

The policyowner must receive an illustration that conforms to the policy that is issued no later than policy delivery. A copy of the conforming illustration must be signed by the FP, the applicant and the policyowner, and returned to the service center with any other delivery requirements. If a conforming illustration is not received, any compensation for the policy that has been paid will be recovered.

Suitability

As always when recommending variable insurance contracts, FPs are to have their clients complete either the Standard or Expanded Risk Tolerance Questionnaire (RTQ) in order to determine the client's appropriate Risk Profile for the purchase. Please be mindful that the selected Risk Profile will be applied to the client's overall selection of investment options, which can include the MSO and GIO. In this regard, please note that the Suitability Review System/ProSurv will classify the MSO as an equity fund with a moderate risk tolerance when applying the asset allocation rules. For Asset Allocation Model purposes, the MSO is synonymous with a Large Cap Equity allocation. Should a client choose to allocate a greater percentage of their investment portfolio to the MSO than what their appropriate Asset Allocation Model recommends, FPs are to note this on the client's RTQ.

See [FB 10-107](#) for information regarding the MSO relative to the Risk Tolerance Questionnaire and a client's asset allocation.

Because segments mature one year from the date the segment was established (i.e., the segment start date), FPs are advised of their heightened servicing responsibilities along with a reminder that client fact-finder suitability profiles must be updated and documented with each new investment recommendation.

Due the differences between the MSO and the variable investment options, FPs are also reminded of the importance that each purchasing client understands its mechanics and appreciates its risks before investing. Among other important factors, clients should be aware of:

- Key features including but not limited to Segments, including the requirements that must be satisfied on a segment start date, index, duration of a segment term, the Downside Protection (Segment Loss Absorption Threshold Rate), GCR, Client Specified GCR, Holding Account, CRA, MSO charges, EDA (MVA), etc.
- Any amount allocated to the MSO will be temporarily invested in the Holding Account, which is part of the EQ/Money Market variable investment option, until the next available segment start date or if the client's GCR Threshold Rate is higher than the current (non-guaranteed) GCR declared on the segment start date
- If **any** of the necessary requirements have not been satisfied on the segment start date, the funds in the Holding Account will not be swept into a new segment
- Restrictions on inter-fund transfers and partial withdrawals of the policy account value allocated to a segment prior to maturity
- If any amount is redeemed, or distributed from a segment prior to maturity, there will be a corresponding EDA that will generally decrease the policy account value in a segment;
- The index-linked rate of return and index-linked return will be determined at segment maturity. Should the index performance exceed the GCR or the Downside Protection (Segment Loss Absorption Threshold Rate) for any segment, the index-linked rate of return will be different from the performance of the index.

Learning Opportunities

Although FPs are not required to complete mandatory product training beyond that prescribed in the "Orientation to AXA Advisors" curricula, FPs must have appropriate product knowledge prior to solicitation/sales to clients.

To meet the "Know Your Product" requirements, FPs are encouraged to leverage various learning opportunities including, but not limited to, wholesaler-facilitated workshops, field bulletins, product brochures, the sales desks, and AXA Advisors Virtual University (AAVU) product courses. The most relevant course is "Incentive Life Optimizer," located under the Life Insurance/General Product Knowledge menu within AAVU.

There are plenty of resources available to support sales of the MSO. The special audio webcast from January 11 can be accessed at any time by clicking [here](#). Make sure your pop-up blocker is disabled. The presentation is also available via eDOX: **Products & Forms > Life Products > [1/11/10 IL Optimizer's Market Stabilizer Option Audio Webcast Presentation](#)**.

In addition, the IL Optimizer AAVU course will be updated to include information regarding the MSO. FPs can obtain the course from your axa-equitable.com: **Learning tab > AAVU Courses > Life Insurance > General Product Knowledge**.

Marketing Materials

The following compliance-approved materials will be available beginning April 12. To order printed marketing materials, log onto your axa-equitable.com and go to **Quick Links > Order Marketing Materials**. To view and download marketing materials, log onto your axa-equitable.com: **Products > Incentive Life Optimizer > MSO**.

A. Approved for Use with Clients

- **Incentive Life® Series Client Kit featuring the Market Stabilizer OptionSM (cat. #144708):** The back pocket of the client kit has the dedicated MSO brochure. This brochure includes two client case studies as well as a graph and step-by-step chart that can help Financial Professionals walk clients through how this investment option works. In the back pocket of the MSO Brochure, you will find:
 - **Market Stabilizer OptionSM Client FAQ [cat. #144807 (1/09)]:** Answers pertinent questions about the MSO.
 - **Client Flyer A Mathematical Catch-up Game, Showing the Value of Consistency in Returns [cat. #145109]:** Explores the impact negative returns can have on a portfolio and the benefits of consistent returns.

This kit also includes the following material:

- Incentive Life Optimizer® Fact Card
 - Incentive Life Series Variable Universal Life Investment Options
 - 8 Ways to Manage Market Volatility Planning Perspectives
 - Risk Tolerance Questionnaire
 - AXA Equitable's Strength and Stability
 - Market Stabilizer OptionSM Prospectus
 - Incentive Life® Series Prospectus CD.
- If you would like the Incentive Life Optimizer® with the Long-Term Care ServicesSM Rider Kit, please use the catalog number appropriate for your state as noted below:

Incentive Life Optimizer® with the Long-Term Care ServicesSM Rider	
State	Cat. #
Delaware, Idaho, Michigan, New Mexico, North Carolina, Puerto Rico, Tennessee, Virginia, West Virginia	144972K
California	144973K
Wisconsin	144974K
All other states	144971K

These kits will include the following Long-Term Care ServicesSM Rider Materials:

- **The Long-Term Care ServicesSM Client Brochure (cat. #138311):** Discusses the features and benefits of the Long-Term Care ServicesSM Rider in a consumer-friendly language and format.
- **Understanding the Taxation of Your Long-Term Care ServicesSM Rider (cat. #138138):** Provides important tax information your clients should know when receiving benefits under the Long-Term Care ServicesSM Rider.

B. Internal-Use-Only Materials

- **Sales Idea: Limit Investment Risk [cat. #144821]:** The Market Stabilizer OptionSM can provide your clients comfort in knowing that the reduced risk and downside protection can help reduce volatility, while the upside potential can provide a more consistent opportunity to achieve their financial goals
- **Market Stabilizer OptionSM Financial Professional FAQ [cat. #144804]:** Offers an in-depth discussion of the MSO in a question-and-answer format.